

Congress of the United States

Washington, DC 20515

February 9, 2023

Ms. Melissa Sorenson
Professional Background Screening Association (PBSA)
110 Horizon Drive, Suite 210
Raleigh, NC 27615

Dear Ms. Sorenson,

We write today in response to a November report released by the Consumer Finance Protection Bureau (CFPB) highlighting systemic issues with the tenant background check process.¹ As the trade association for background screening companies, the Professional Background Screening Association (PBSA) is uniquely positioned to provide clarity on its policies and practices for screening prospective tenants.

The CFPB reports an alarming pattern of tenant background checks that are often riddled with false information, attributed to the wrong tenant, or includes information prohibited by the Fair Credit Reporting Act (FCRA), including outdated criminal histories or misleading eviction data. The troubling lack of transparency around the collection and subsequent use of this questionable information is a concern for lawmakers because people are denied access to housing based on these erroneous reports. The impact on tenants is multifaceted—from hundreds of dollars of lost application fees, to lost opportunities to obtain stable and affordable housing—tenants have very little recourse to challenge an application denial.²

To determine the prevalence and frequency of the use of tenant background checks to deny prospective tenants access to housing, please provide clarity for the following questions:

1. How many tenant screening companies are members of your trade association? Please provide a full list of tenant screening companies in your trade association.
2. How many different warehouse companies do the members of your trade association use to collect, clean, and analyze their data? Please provide a list of the warehouses used by members of your trade association.
3. According to Section 607(b) of the FCRA, professional screening companies must use “reasonable procedures to assure maximum possible accuracy.” How do tenant screening companies ensure the reliability of the data they receive from data warehousing companies?
 1. What is the number of identifiers a company must use to ensure accurate matching?
 2. On average, how many identifiers are used by the companies in your trade association? What is the industry standard for the number of identifiers a company must use to ensure accuracy?
 3. What support or accountability measures exist to ensure the tenant screening companies in your staff association are using the appropriate number of identifiers?
4. What is the industry standard for frequency of conducting manual data quality checks?

¹ Consumer Financial Protection Bureau, “CFPB Reports Highlight Problems with Tenant Background Checks,” November 15, 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-reports-highlight-problems-with-tenant-background-checks/>.

² Ibid.

1. What should these manual checks entail according to the industry standard?
2. What support or accountability measures exist to ensure the tenant screening companies in your staff association are conducting manual data quality checks effectively and frequently enough?
5. Please provide a list of data points used for tenant screening reports by tenant screening companies in your trade association. For each data point, provide information on where the data sourced from (e.g. public records) and what steps are taken to ensure the validity and reliability of the data.
 1. Do tenant screening companies in your staff association typically include prior rental payment history in your tenant screen report? If not, why?
 2. Does your staff association provide guidance to tenant screening companies on how to take income protections in local jurisdiction into account when determining and weighing data points?
6. Public records are not designed for use in background checks and can result in significant errors. As a result, manual checks are important to ensure accuracy. What are you doing to ensure manual checks exist and are following reasonable procedures for accuracy?
7. What data points are included in a risk score calculation?
 1. How are these data points weighed?
 2. What manual review process is used to ensure data used in risk score calculations are accurate?
 3. Do you include rental payment history in your risk score calculation? If not, why?
8. What steps do tenant screening companies in your staff association take to ensure their algorithms are not producing discriminatory results?
9. Under FCRA, prospective tenants have the right to dispute information in tenant screening reports. What mechanism do tenant screening companies in your staff association have in place to ensure these companies are following the law by allowing prospective tenants to correct errors?
 1. What steps do tenant screening companies in your staff association take to ensure that sealed eviction files or outdated criminal histories are not included in tenant screening reports?

Thank you for your diligent time and attention to this matter. Please provide a response to this letter no later than March 1, 2023. We share your commitment to provide quality, affordable housing to the millions of people across the country in need of stable housing and look forward to working with your organization to achieve this goal.

Sincerely,



Jesus G. "Chuy" García
Member of Congress



Cori Bush
Member of Congress



Alexandria Ocasio-Cortez
Member of Congress



Danny K. Davis
Member of Congress



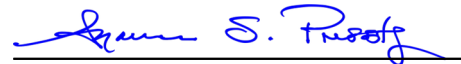
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Member of Congress



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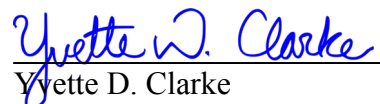
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Member of Congress



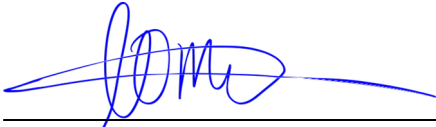
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Member of Congress



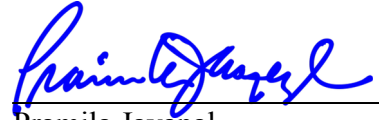
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Member of Congress



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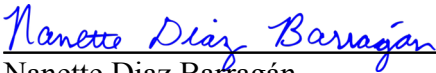
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Nanette Diaz Barragán
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Sheila Jackson Lee
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